

Chairman Rod Johnson called the regularly scheduled meeting to order at 10:00 a.m. with Commissioners Boyle, Johnson, Landis, Schram and Vap present. Chairman Johnson invited the public to address the Commission. Chairman Johnson also announced that a copy of the Nebraska Open Meetings Act was available in the meeting room. No comments were made.

GENERAL ADMINISTRATION

Notice was duly published June 26, 2007 on Page 8 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held July 3, 2007 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceeding:

Monday, July 9, 2007:

10:00 Atrium Conference Room, 1200 N Street, Suite 206,
Lincoln.
Wireless E911 Advisory Board meeting.

COMMUNICATIONS DEPARTMENT

Cheryl Elton informed the Commission of the complaints received in June 2007. She reported that there were a total of 70 complaints: 44 - wireline and 26 - wireless. The complaints were categorized as follows: 43 billing, 20 service and 7 miscellaneous issues.

C-3725 In the Matter of United States Cellular Corporation,
Chicago, Illinois, seeking designation as an eligible telecommunications carrier pursuant to section 214(e)(2) of the Communications Act of 1934. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter an order granting the application. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter orders granting the applications in Dockets E-2149, E-2150, E-2151 and E-2153. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

E-2149 In the Matter of Loup River Power District, Columbus,
seeking authority to construct, operate and maintain an electric transmission line in Boone County.

COMMUNICATIONS DEPARTMENT (Cont.)

- E-2150 In the Matter of Loup River Power District, Columbus, seeking authority to construct, operate and maintain an electric transmission line in Boone County.
- E-2151 In the Matter of Loup River Power District, Columbus, seeking authority to construct, operate and maintain an electric transmission line in Boone County.
- E-2153 In the Matter of Loup River Power District, Columbus, seeking authority to construct, operate and maintain an electric transmission line in Boone County.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

911-020.01 In the Matter of Jeffrey L. Pursley, Director, Nebraska Telephone Infrastructure and Public Safety Department, Complainant v. Level 3 Communications, LLC; Vartec Telecom, Inc.; NebCon Partnership; Budget Phone, Inc.; CAT Communications International; Granite Telecommunications, LLC; Comtel Telecom Assets, LP: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter a complaint against the named Respondent(s) who failed to timely file information with the Commission regarding 911 and Enhanced 911 for the calendar year of 2006, due April 30, 2007. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter orders approving Phase II costs in Dockets 911-023.02 and 911-023.51. Motion passed with Commissioners Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE, and Commissioner Anne Boyle voting NAY.

911-023.02 In the Matter of Douglas County, Omaha, seeking funding approval for recurring and non-recurring costs associated with Enhanced Wireless 911 implementation.

911-023.51 In the Matter of Dixon County, Public Service Answering Point, Ponca, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.43 In the Matter of Kimball County, Kimball, seeking funding approval for recurring and non-recurring costs associated with Enhanced Wireless 911 implementation: Motion made by Commissioner Frank Landis, seconded by Commissioner Tim Schram, to enter an order scheduling a hearing for August 7, 2007 at 1:30 p.m. in the Commission Hearing Room, Lincoln. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE. Commissioner Vap was appointed as Hearing Officer.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter orders approving the funding request, in part, in Dockets 911-023.05, 911-023.47 and 911-023.52. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

911-023.05 In the Matter of Hall County, Public Safety Answering Point, Grand Island, seeking funding approval for recurring and non-recurring costs associated with Enhanced Wireless 911 implementation.

911-023.47 In the Matter of Knox County, Center, seeking funding approval for recurring and non-recurring costs associated with Enhanced Wireless 911 implementation.

911-023.52 In the Matter of Nuckolls County, Public Safety Answering Point, Nelson, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter orders approving funding requests for equipment costs in Dockets 911-023.53, 911-023.58, 911-023.35 and 911-023.61. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

911-023.53 In the Matter of Saunders County, Wahoo, seeking funding approval for recurring and non-recurring costs of enhanced Wireless 911 implementation.

911-023.58 In the Matter of Thayer County, Hebron, seeking funding approval for recurring and non-recurring costs of enhanced Wireless 911 implementation.

911-023.35 In the Matter of Fillmore County, Geneva, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.61 In the Matter of Region 26, Public Safety Answering Point, Taylor, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation.

911-023.13 In the Matter of Keith County, Ogallala, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter an order lifting the funding request suspension and approving funding. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

911-023.58 In the Matter of Thayer County, Hebron, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter an order approving funding for GIS data. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

911-032 In the Matter of the Commission, on its own motion, seeking to investigate reimbursement of costs from the Enhanced Wireless 911 Fund related to consolidation of Public Safety Answering Points: Motion made by Commissioner Frank Landis, seconded by Commissioner Tim Schram, to enter an order opening the docket and seeking comments. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-50 In the Matter of the Commission, on its own motion, seeking to make adjustments to the universal service fund mechanism established in NUSF-26: Motion made by Commissioner Anne Boyle, seconded by Commissioner Frank Landis, to enter an order approving the stipulation with Elsie and Dalton Telephone Companies. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-57 In the Matter of the Commission, on its own motion, seeking to administer the Nebraska Telehealth Program: Jeff Pursley reported on the costs associated with the moving of lines from College Park to St. Francis Medical Center, Grand Island.

Jeff Pursley reported on the NUSF Late-Filed Carrier Remittances: Motion made by Commissioner Frank Landis, seconded by Commissioner Jerry Vap, to levy a late-fee against Comtel Telcom Assets, LP and that a complaint be opened against Matrix Telecom, Inc. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT

NG-0036 In the Matter of Kinder Morgan, Inc., Lakewood, Colorado, seeking approval of a general rate increase. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to reinstate Assessment Order GDS-006 and enter assessment order HS-0012. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NATURAL GAS DEPARTMENT (Cont.)

NG-0039 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, Source Gas Holdings LLC, Stamford, Connecticut; and Source Gas LLC, Stamford, Connecticut; seeking approval of (1) the proposed transfer of Kinder Morgan, Inc.'s Nebraska Certificate of Convenience and utility assets to Source Gas Distribution LLC; and (2) the proposed change of control of Source Gas Distribution LLC from Kinder Morgan, Inc. to Source Gas LLC. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter assessment order HS-005 and GDS-001. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NG-0040 In the Matter of Kinder Morgan, Inc., Houston, Texas; KM Retail Utilities Holdco LLC, Houston, Texas; Source Gas Distribution LLC, Lakewood, Colorado, seeking approval of asset transfer of jurisdictional utility assets. Commissioner Vap presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter assessment order HS-004. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NG-0041 In the Matter of Aquila, Inc., d/b/a Aquila Networks (Aquila), Omaha, seeking individual general rate increases for Aquila's Rate Area One, Rate Area Two, and Rate Area Three. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter assessment order HS-009. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NG-0044 In the Matter of Aquila Inc. d/b/a Aquila Networks, Kansas City, Missouri; Black Hills Corporation, and Black Hills/Nebraska Gas Utility Company, LLC, both of Rapid City, South Dakota, seeking approval of the proposed transfer of Aquila's Certificate of Convenience and for a change of control of Aquila's Nebraska jurisdictional assets. Commissioner Landis presiding as Hearing Officer: Motion made by Commissioner Frank Landis, seconded by Commissioner Anne Boyle, to enter assessment order HS-003. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Laura Demman informed the Commission of the complaints received in June 2007. She reported that there were a total number of 25 complaints and inquiries and complaints were categorized as follows: Aquila - 14; SourceGas (Kinder Morgan) - 5; NorthWestern - 3; and Other Entities - 3.

LEGISLATIVE REPORT

Law Clerk Tom Green presented the legislative report on interim studies that relate to the duty of the Commission. The report included a brief explanation of each study resolution. The studies the Commission will be monitoring are LR 15 dealing with the impact of a waiver of inspection requirements that Union Pacific filed with the Federal Railroad Administration on public safety in Nebraska; LR 67 that studies the safety of railroad crossings and how to prevent the blocking of crossings by parked trains; LR 124 and LR 152 general study resolutions by the Transportation and Urban Affairs Committee respectfully; LR 181 which examines municipal provided wireless Internet services; and LR 186 which studies the authority of cities of the metropolitan class to collect wheel taxes outside the city limits. The interim studies will be monitored and an additional report on any findings or hearings will be given when relevant information becomes available.

TRANSPORTATION DEPARTMENT

Rate Division

MR-930 In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Goods Tariff 7F: The fuel surcharge was increased to 72 cents per mile.

GENERAL ADMINISTRATION

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to approve the Executive Director's recommendation to authorize Tim Sandusky to travel to and attend the CWR Track Workshop in Denver, Colorado, from August 26 through August 31, 2007. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to approve the Executive Director's recommendation to authorize Fred Massing to travel to and conduct a modular housing unit factory inspection at Wardcraft Homes in Clay Center, Kansas on July 10, 2007, with all expenses including time, to be reimbursed by Wardcraft Homes. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Anne Boyle, to approve the Executive Director's recommendation for approval of the following Commission invoices. Motion passed with Commissioners Anne Boyle, Rod Johnson, Tim Schram and Jerry Vap voting AYE, and Commissioner Frank Landis voting NAY.

GENERAL ADMINISTRATION (Cont.)

DAS-Central Finance	\$ 1,008.00
University of Nebraska-Bureau of Business Research	26,548.50
ESRI	1,224.00
Robert Hotz	6,250.00
WahlTek	3,081.00
Anne Boyle	407.40
Tim Schram	461.72

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM

Alternative Hearing	330.00
Associated Ear Nose & Throat	157.08
B Hear Inc.	1,563.63
Belton	3,692.90
Grand Island Hearing Aid	290.00
Hamilton Telecommunications	779.10
Hearing Aid Center of Columbus	199.00
Carl A. Johnson Jr.	757.40
Johnson Hearing Aid Service	144.63
K-D Communications	5,704.00
Midwest Hearing Consultants	958.20
Teltex	174.95
Weitbrecht Communications	2,694.25
Western ENT Associates	309.90

The meeting adjourned at 10:35 a.m. with Commissioners Boyle, Johnson, Landis, Schram and Vap present. The next regularly scheduled meeting will be held on July 10, 2007, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on July 9, 2007.

Chairman

Executive Director